

June 2, 2005

Honorable James H. Welsh  
Commissioner of Conservation  
Department of Natural Resources  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: Yegua 1 Zone, Reservoir E  
**KINDER FIELD**  
Allen Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Flex Energy, LLC to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Yegua 1 Zone, Reservoir E, in the Kinder Field, Allen Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the Yegua 1 Zone, Reservoir E, in the Kinder Field, Allen Parish, Louisiana.
2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that any well drilled outside of the Yegua 1 Zone, Reservoir E, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Yegua 1 Zone, in the Kinder Field, Allen Parish, Louisiana, was previously defined in Office of Conservation Order No. 541-N, effective October 28, 2003.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Kinder Field, Allen Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Kinder Field, Allen Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, Inc., 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on June 2, 2005, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister, representing Flex Energy, LLC., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Mr. Frank Harrison, representing Aspect Resources, presented an alternative geographic counterplan of 240 Acres that is further east than the applicant's, but not as far to the west.

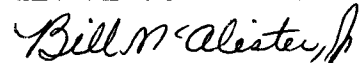
Differences could not be resolved between the parties in attendance and we expect that this matter will be contested.

There are attached hereto and made a part hereof a plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (**being the same plat attached to the May 12, 2005 preapplication notice**) are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Flex Energy, LLC, in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister, Jr.

BMJr/cu

Enclosures

cc: Mr. Richard Hudson  
Office of Conservation  
825 Kaliste Saloom Road,  
Brandywine III, Suite 220  
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners  
and Represented Parties

R 5 W

R 4 W

T  
6  
S

Y-1 RE SU A  
(UNDRILLED)  
±160 ACRES

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC

EXHIBIT NO.  
DOCKET NO. 05-



KINDER FIELD  
ALLEN PARISH, LOUISIANA

PROPOSED UNIT  
YEGUA 1 ZONE

Geology By: William S. McAllister, Jr.

0' 2000' 4000'

DATE:

LEON E. COMEAUX & ASSOC. GEOLOGISTS

BARKER  
1  
8400'

23

24

19

20

21

BEL OIL  
1  
8452'

SUN  
2  
8100'

10350'  
1  
8150'

SUN  
1  
8600'

A-1  
8604'

RECE 1  
HUMBLE  
1  
8265'

BRIGHT & SCHIFF  
1  
8100'

PETR. INC.  
1  
8550'

LGS  
1  
8650'

2  
1  
8105'  
7803'

1  
8101'

1  
8500'

B-1  
1  
8500'

2  
8200'

1  
8600'

SUN  
2  
8603'

MATRIX  
1  
8171'

TEXAS PET  
1  
8513'

A. Duhan  
1  
8275'

CORAL  
1  
8500'

OWEN  
B-1  
8216'

1  
8209'  
1  
8200'

1  
8125'

1  
8205'

1  
8203'

1  
8500'

1  
7185'

1  
8200'

DELAFIELD  
1  
8146'

PENN  
1  
8310'

OWEN  
1  
8511'

L. Fontenot

F. Odom

29

28

BRADCO  
1  
8624'

City of Kinder

A. Manuel

1  
8300'

CONTINENTAL  
1  
16133'

35

36

31

32

KASH  
1  
3430'